

CONVERSE FIELD

02-356

LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Hearing Room, 1st Floor, LaSalle Building, 617 North 3rd Street, Baton Rouge, Louisiana, at 9:00 a.m., on **TUESDAY, JULY 9, 2002**, upon the application of **PINNACLE OPERATING COMPANY, INC.**

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of an Order pertaining to the following matters relating to the **James Formation, Reservoirs A and B**, in the Converse Field, DeSoto and Sabine Parishes, Louisiana.

1. To dissolve the drilling and production units designated as JAMES RA SUK, JAMES RA SUL and JAMES RA SUQ, which were created by the Office of Conservation 501-B Series of Orders for the James Formation, Reservoir A.
2. Simultaneously with the dissolution of the abovesaid units, to create three (3) additional drilling and production units to be designated as JA RB SUQ through JA RB SUS for the James Formation, Reservoir B as shown on the plat submitted with the application.
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed units, with each tract sharing in unit production on a surface acreage basis of participation.
4. To designate a unit operator and a unit well for certain of the units to be created hereby.
5. To provide that the gas allowable provisions of Statewide Order No. 29-F, LAC 43:XIX.2101, et seq., shall not apply to horizontal wells drilled to the James Formation, Reservoir B, within the units created hereby, but that all such wells shall be given an allowable based on the maximum efficient rate (MER) of the well, being the maximum sustainable daily withdrawal rate from the reservoir which will permit economical development and reservoir depletion without causing waste.
6. To provide that special field spacing rules should be adopted for future horizontal wells drilled within the units created hereby to the James Formation, Reservoir B, which would provide: (a) that the penetration point and terminus of any lateral of any such horizontal well shall not be located no closer than 330 feet to any unit boundary; (b) that the average distance between the productive portion of any lateral and those unit boundaries which run generally parallel to the direction in which the laterals are drilled shall not be less than 1,000 feet ; (c) that the distance from any point along the productive portion of any lateral and those unit boundaries which run generally parallel to the direction in which the laterals are drilled shall not be less than 660 feet; and (d) that there be no well spacing limitations between wells other than that accomplished by application of the aforesaid provisions.
7. To consider such other matters as may be pertinent.

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The James Formation, Reservoirs A and B, in the Converse Field, DeSoto and Sabine Parishes, Louisiana, is fully defined in Office of Conservation Order No. 501-B, effective February 1, 1975.

A plat is available for inspection in the Office of Conservation in **Baton Rouge** and **Shreveport**, Louisiana or may be found at the following site:

www.dnr.state.la.us/CONS/CONSEREN/hearings/pubhearings.htm.

All parties having interest therein shall take notice thereof.

BY ORDER OF:

FELIX J. BOUDREAUX

COMMISSIONER OF CONSERVATION

Baton Rouge, La

5/23/02;5/29/02

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IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE ADVISE THE OFFICE OF CONSERVATION - ENGINEERING DIVISION AT P. O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.